

SENATE BILL 457

By Yager

AN ACT to permit provisional approval of property tax exemptions by the state board of equalization, to permit exemption of land being developed or acquired for future development for exempt uses, to provide for recertification of exempt use and ownership, and to amend Tennessee Code Annotated, Section 67-5-212.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 67-5-212, is amended by adding the following new numbered subdivision in subsection (b):

() The board may provide by rule for provisional approval of exemption applications whereby applications shall be deemed approved if no initial determination is rendered within a time specified by rule. A provisional approval shall have the effect of an initial determination and may be appealed in the same manner as an initial determination, and it shall further be subject to review or revocation as provided in this section.

SECTION 2. Tennessee Code Annotated, Section 67-5-212, is further amended by adding the following new subsection:

() The board may by rule require approved applicants for exemption to annually certify that previously approved exempt ownership and use continues for specified property. Failure to certify continued exempt ownership and use shall be grounds for review and revocation of exemption as provided in this section.

SECTION 3. Tennessee Code Annotated, Section 67-5-212, is further amended by deleting subsection (g) and substituting instead the following:

(g) Additional land at the site of existing improvements approved by the board for exemption, that is under present development or determined by the board to be reasonably necessary for future development for exempt purposes, may be approved for exemption as provided in this subsection. Land in excess of fifteen (15) acres not presently being developed may not be approved for exemption. If land approved for exemption under this subsection is sold to a nonexempt owner before it is developed for exempt uses, or before it has been used for exempt purposes for a period of at least ten (10) years, the exemption may be revoked retroactive to the date of approval and taxes due during the period of revocation shall accrue interest at the rate specified by the board not to exceed the rate provided in section 67-5-2010.

SECTION 4. This act shall take effect upon becoming law, the public welfare requiring it.